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Appropriations

Good evening, Representative Walker, Senator Osten, Senator Formica and members of the Appropriations Committee.

My name is David Pickus and I am President of SEIU 1199 New England. We represent 26,000 health care workers in Connecticut. 10,000 of our members provide care through the Department of Developmental Services as public employees, private agency workers and home care workers.

Another 3,000 provide services through the Dept. of Mental Health and Addiction Services as both public employees and private agency workers. 1199 is a major stakeholder in both departments and as such, we are deeply concerned about cuts and changes in the Governor's proposed budget and how they will affect services for our clients.

We also represent public sector workers in the Department of Public Health and are concerned about funding cuts that may not have a direct and immediate impact on employees but which undercut good health care policy and the services our members deliver to the public every day.

At 1199 we are uniquely positioned to speak about these budgetary challenges in both DDS and DMHAS precisely because we represent workers in both the public and private sector and understand that a robust and integrated continuum of services across both sectors best serves the needs of Connecticut's families.

The lack of investment in that public-private continuum is reflected in the Governor's proposed budget for DDS, which presumes annualized savings of more than \$32 million dollars based on privatizing 40 group homes and closing two regional centers. For the last 15 years DDS has failed to develop a coherent plan of action for the clients in its charge. The desultory approach to deinstitutionalization and privatizing group homes coupled with gross under-funding of the private sector and refusal to address the state's growing waiting list has been negligent.

DDS must stop using the waiting list crisis as a political football. The \$3.8 in annual additional funding for the waiting list and other initiatives is certainly welcome, but will hardly make a dent in the current waiting list which numbered about 1,000 as of September 2016. Promising desperate parents that all their hopes lie in closing certain homes or laying off certain workers is not a plan. Even the savings assumed by ongoing privatizations may not be realized, given that most of the 40 homes targeted for privatization in the 2017 budget have yet to move to the private sector since the bid ceilings were too low for responsible private agencies to operate without slashing wages and benefits for their employees even further. Expanding programs and funding the waiting list for services should be a top priority of this department.

A study partnered by the University of California Berkley and University of Connecticut found that low-wage workers in our state access \$486 million in public assistance annually. That amount is almost a third of our total budget deficit. As I mentioned we represent workers in the private sector and we know that these workers are among the low-wage workers seeking public assistance because their \$11, \$12 an hour job is not enough to make ends meet. A large-scale survey of our membership confirms that about 1/3 utilize one or more public assistance programs like HUSKY, SNAP, and heating or housing assistance.

Our state's solution to the budget deficit should not be turning middle class tax payers into the working poor. If we are serious about providing quality care to people with disabilities then you have to be serious about providing the proper funding to pay a living wage to these workers. Otherwise, our state loses more resources, we increase the number of working poor and clients are dealing with high turnover and unable to have a consistent presence in their care.

DDS employs 2,500 people and there is a unique opportunity to build toward the future needs of people with disabilities. Last year 1199 proposed a thoughtful policy approach to the current budget challenges and needs of DDS. We maintain that a public/private system must be continued and improved upon.

DMHAS used to be a better example of public-private partnership, but the Governor's budget this year includes cuts of \$7.5 million attributed to "restructuring state-operated services," which is just a bland euphemism for privatization, beginning with privatizing half the substance abuse beds at the Blue Hills campus. With the opioid crisis raging and a strong need for beds and treatment in the Greater Hartford area, eliminating beds in public sector by putting them out to bid does nothing to increase available services. Instead it relies on the tired old method of "savings" by forcing private agencies to keep wages low enough to win the bid, since the state has continued to underfund these agencies, creating a vulnerable workforce with high turnover and minimal economic security and invisibly shifting costs onto workers and families and other budget line items.

Current services provided by the private sector under DMHAS also do not fare well in the Governor's budget, which cuts \$9.3 million in grants to **private providers** for mental health, substance abuse and employment programs: At the same time that this budget touts

privatization, this budget continues the long-standing starvation of the very private providers who are supposed to rescue the state at a time when deaths from prescription drug abuse are rampant. The ostensible rationale for these cuts is that these grants fund services to the poor who now have insurance under the ACA – just at a time when the ACA in general, and subsidies to the Medicaid population in particular, are in serious jeopardy.

The Governor's budget for Public Health makes a 20% cut from the budget of District and Local Departments of Health, a 10% cut from school-based health centers and eliminates all state funding for Community Health Centers. While the savings to be realized from such cuts are modest, the effects will be major, either shifting costs to local communities – a common theme that runs throughout the budget – or eliminating key services entirely for the very vulnerable populations that our Public Health workers take pride in protecting. We urge the Appropriations Committee to reconsider this unbalanced and unwise approach to saving relatively few dollars at the expense of local communities and children with serious or chronic illnesses whose best resource for health care is found at school.

Connecticut has the resources to support public and private services of the highest standards. We must develop a 21st century tax system that provides predictable revenue. And we can no longer afford to continue to subsidize the low wages of Walmart and other large corporations.

The DDS system of care must remain a core governmental function. We strongly demand that you postpone any of these decisions until you sit down with stakeholders including guardians and the people on the front lines providing care to figure out how we move forward and develop a plan that is in the best interest of clients, families and workers.